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The Rise of China, the Rise of India, and the Changing Geopolitics of Asia: Contending Perspectives on India-China Relations

Vincent Wei-cheng Wang

Introduction

An important global development in the first decade of the 21st century is the rise of large developing countries. Grouped as BRICs,¹ these fast-growing nations have catapulted over the “emerging economies” status and are poised to play greater roles on the world stage. Table 1 establishes the increasing importance of BRICs vis-à-vis established great powers. It also shows long-term trends that portend the changing balance of power in world political and economic affairs. Of particular note is the rise of China and India—the two most populous nations on earth that together make up nearly two-fifths of humankind. The sheer magnitude of their ascendance caused one prominent former Singaporean ambassador to the United Nations to proclaim the “irresistible” shift of global power to Asia.²

The rise of China and the rise of India are unmistakable. In 2009, China’s and India’s economies had already become the second—and fourth-largest, respectively. In PPP (purchasing power parity) terms, China’s economy is already larger than Japan’s and is next only to that of the United States; India’s economy is also rapidly closing the gap with Japan’s economy (although in official exchange rate terms both China and India are still relatively poor). The two Asian developing giants are riding on phenomenal growth rates (13.34 per cent per annum in 1990–2007 for China and 7.4 per cent for India)

and their economies performed much better than established industrial democracies in the wake of the global financial crisis that began in 2008. Persistent differentiated rates of growth impact the global balance of power. The current financial crisis accentuates the *relative* decline of the United States (or the West in general) and the rise of Asia. China, and to some extent India, also become important traders, foreign exchange holders, military powers, and greenhouse gas emitters. Their stature and influence on the world stage will almost certainly rise.

However, whether an “Asian century” will finally arrive after five centuries of Western dominance of world affairs depends importantly not only on whether India and China can continue their respective rises but also on how they deal with their own and the other nation’s ascent. These two proud nations are keenly aware of the other’s rise and naturally compare themselves with it (more on the Indian side).³ Despite their common aspiration to play larger global roles, they demonstrate sharp contrasts in their political systems, economic models and social structures. They have also maintained a very complex relationship that is weighed down by history but also offers promising opportunities in an era of globalisation (Table 1).

While the implications for the rise of China have been debated in various contexts, thin scholarly attention has been devoted to the rise of India, and how these two Asian great powers perceive the ascendancy of each other.

This paper contributes in this regard by examining the key factors influencing India-China relations and analysing elite perspectives in either nation on this relationship. It is divided into six sections. Section One begins with an overview of China’s assessment of its security environment and its evolving grand strategy. Chinese security writers have developed the concept of “comprehensive national power” as a convenient way to frame the debates on China’s security assessment and external strategy. Section Two introduces this concept and elucidates Chinese perspectives on the rise of their country and potential peer competitors such as India. Section Three analyses the key elements that comprise the complex Indo-Chinese relationship, including history, geography, territorial disputes, mutual threat perception and alignment patterns, economic partnership and competition; it focuses on the Indian elites’ perspectives on the rise of China. Section Four summarises Chinese security analysts’ perspectives on a rising India in the light of the changing bilateral relations. Section Five provides a conceptual framework by categorising Indian elites’ perspectives on the rise of China and Indo-Chinese relations into three

Table 1: Emerging vs. Established Great Powers: Select Indicators

	<i>China</i>	<i>India</i>	<i>Brazil</i>	<i>Russia</i>	<i>USA</i>	<i>Japan</i>	<i>EU</i>
GDP (ppp, \$ trillion); world rank in 2009	8.78; 3rd	3.57; 5th	2.013; 10th	2.11; 8th	14.14; 2nd	4.15; 4th	14.43; 1st
GDP (official exchange rate \$ trillion)	4.909	1.236	1.574	1.255	14.26	5.068	16.24
GDP per capita (ppp, \$); world rank in 2009	6600; 128th	3100; 163rd	10,100; 107th	15,100; 72nd	46,000; 11th	32,700; 40th	32,500; 42nd
GDP real growth rate (%); 2009 world rank	9.1; 4th	7.4; 10th	-0.2; 114th	-7.9; 206th	-2.6; 157th	-5.3; 189th	-4.1; 179th
GDP average annual growth rate % (1990-2007)	13.34	7.63	6.12	4.92	5.27	2.21	n/a
Population (number); world rank	1.34 billion; 1st	1.16 billion; 2nd	198.74 million; 5th	140.04 million; 9th	307.21 million; 3rd	127.08 million; 10th	492 million
Trade volume (\$ billion)	2158.3	432.7	280.7	495.2	2609	1042	3642
Exports (\$); world rank in 2009	1.204 trillion; 2nd	164.3 billion; 22nd	153 billion; 26th	303.4 billion; 13th	1.046 trillion; 4th	542.3 billion; 5th	1.952 trillion; 1st
Imports (\$); world rank in 2009	954.3 billion; 4th	268.4 billion; 14th	127.7 billion; 26th	191.8 billion; 19th	1.563 trillion; 2nd	499.7 billion; 6th	1.69 trillion; 1st
Foreign Exchange Reserves (\$ billion); rank	2648.3 (Sep 2010); 1st	287.74 (Sep 2010); 6th	282 (Oct 2010); 8th	476 (Oct 2010); 4th	129 (Jul 2010); 15th	1019 (Jul 2009); 2nd	726 (Eurozone, Aug 2010); 3rd
Military spending (\$ billion); world rank in 2008	98.8; 2nd	36.6; 10th	27.1; 12th	61.0; 5th	663; 1st	46.9; 7th	n/a
Defence expenditure (% GDP)	4.3 (2006)	2.5 (2006)	1.7 (2009)	3.9 (2005)	4.06 (2006)	0.8 (2006)	n/a
Internet users (million); world rank in 2008	298; 1st	81; 4th	64.948; 5th	45.25; 8th	231; 2nd	90.91; 3rd	247
% global emission of greenhouse gases, 2005; rank	16.36; 1st	4.25; 7th	6.47; 4th	4.58; 6th	15.74; 2nd	3.17; 8th	12.08; 3rd

Sources: CIA, *World Factbook*.

paradigms: geopolitical, geo-economic, and geo-civilisational. Section Six concludes with three possible scenarios for the future of China-India relations.

China's External Strategy Since the End of the Cold War

In the two decades since the end of the Cold War, Chinese analysts have been constantly assessing their country's external security environment and debating appropriate responses and necessary adjustments.⁴ Most analysts agree that China's security environment has markedly improved with the dissipation of Cold War confrontation, but some still see various external threats and internal challenges for China. Today's China is sanguine that large-scale military conflicts involving great powers are unlikely to occur and that China is likely to be increasingly secure from traditional security threats (military threats by a foreign power against China's territory or the physical security of China's population), but like other major countries, it is not immune from non-traditional security threats.

The disintegration of the Soviet Union and the end of the Cold War occurred during a critical juncture of China's post-Mao development. Chinese leaders concluded that their country needed a peaceful international environment for another two decades—a period of “strategic importance” to concentrate on further developing its economy. Economic development became the overriding lynchpin to increasing China's wealth, power, prestige and international standing.

For China, besides its own self-strengthening, managing relations with the US and navigating an international system that reflects Western (especially American) values and strengths would be crucial. The US, with its overwhelming military capabilities that could check China, but also the technologies and markets crucial to China's economic growth, could play a decisive role in China's aspirations.

China's former paramount leader Deng Xiaoping gave guidance to its foreign and security policy apparatus that, collectively, has come to be known as the “24-character” strategy: “observe calmly; secure our position; cope with affairs calmly; hide our capacities and bide our time; be good at maintaining a low profile; and never claim leadership” (*lengjing guancha, zhanwen jiaogen, chenzhuo yingfu, taoguang yanghui, shanyu shouzhuo, juebu dangtou*). Added later was, “make some contributions (*you suo zuo wei*)”. This 24-character maxim has guided China's security and foreign policies since the early 1990s. The Pentagon concludes that taken as a whole, Deng's strategy remains instructive in that it suggests “both a short-term desire to downplay China's capabilities and avoid

confrontation, and a long-term strategy to build up China's power to maximise options for the future."⁵ Following Deng's fundamental strategy, his successors calibrated their tactics. While third-generation leaders (centred on Jiang Zemin) restored China to international respectability after the 1989 Tiananmen crackdown, certain actions they took also helped fuel the so-called "China Threat" debate.⁶

China's fourth-generation leaders (centred on Hu Jintao) initially tried to rectify some part of the legacy of their predecessors. Domestically, they promoted the concept of a "harmonious society" (*hexie shehui*) to address some of the side effects of rapid and single-minded growth, such as social unrest, income inequality and environmental degradation. Internationally, they pursued a policy of "peaceful rise" (*heping jueqi*)⁷ or "peaceful development" (*heping fazhan*) that relies on reassurance (good-neighbour policy) and incentives (lucrative trade or investment deals), by leveraging China's expanding economy. China's more polished foreign policy exudes confidence and poise.⁸ While Western scholars have generally accepted that China's rise is perhaps inevitable, as of now there is no consensus on the implications of China's rise for the rest of the world.⁹

China's "peaceful rise" policy contains several interlocking elements:

1. It is based on an embracing of globalisation as part of the solution to China's growth imperatives. It relies both on China's domestic economy and the international marketplace to sustain and fuel growth.
2. To achieve the goal of great-power status, China must secure a peaceful international environment, which is crucial to sustaining its economic development and augmenting its power. Ensuring stability in China's periphery and avoiding a premature showdown with the US are thus essential.¹⁰
3. The new diplomacy is marked by greater international engagement. Whereas China used to distrust "multilateralism" for fear that multilateral institutions could be used to constrain or punish it, now Chinese leaders recognise that deeply engaging these organisations helps promote China's trade and security interests and limit American power.¹¹ China can be pragmatic on contentious issues.¹² It has sought to reassure its nervous neighbours and has more actively engaged in regional affairs (e.g., hosting of the Six-Party Talks).
4. The main instrument used for advancing China's objectives is its economic power—buoyed by its phenomenal economic

growth, rapidly expanding domestic markets, and driven by its voracious appetite for raw materials needed for its economic development.

To sum up, China's "peaceful rise" is a comprehensive long-term strategy leveraging globalisation as a catalyst to accelerate its own economic development and elevate its power and stature. The language is peace and stability; the style is constructive diplomacy; and the substance is economics—at least for now.¹³

Comprehensive National Power: China Tracks its Rise

To help conceptualise the structure of the international system, track the major countries' changing fortunes, and evaluate the results of "peaceful rise", Chinese analysts have developed a "scientific" method—Comprehensive National Power (*zonghe guoli*)—to predict power relations among the major countries. Michael Pillsbury, a noted authority on the Chinese military, terms the CNP as a "unique aspect of China's strategic assessments of the future security environment".¹⁴

CNP consists of tangible and intangible indicators of national power. Some writers arrive at the CNP by compiling the absolute numbers for each major country. Others use a relative number (e.g., a country's CNP as a percentage of the CNP of the United States). The goals of the different methods are to (1) highlight the *pecking order* of the major powers, and (2) reveal the *gaps* between them (most importantly, the gap between the US and the next few major powers that follow it).

Chinese writers also show the evolution of CNPs over time, including future projections. CNP serves as a handy measure for tracking China's relative standing at a particular time and its rise and fall vis-à-vis other major countries over time. Table 2 as an example shows the relative importance of each component making up CNP. Table 3 compares two different calculations and projections of CNP scores.¹⁵

A detailed discussion of CNP is beyond the scope of this paper. However, for an overview of China's security assessment and external strategy, several findings are instructive:

1. For the foreseeable future, the United States will remain the most powerful country. CNP trends confirm that the international structure since the end of the Cold War has been characterised by "*yi chao, duo qiang*" (one superpower, many great powers), although the gaps between "number one" and "numbers two and three" have narrowed.

Table 2: Weighted Coefficients of Major Component Factors

National Power Factor	Weighted Coefficient
Total CNP	1.00
Natural resources	0.08
Economic activities capability	0.28
Foreign economic activities capability	0.13
Scientific and technological capability	0.15
Social development level	0.10
Military capability	0.10
Government regulation and control capability	0.08
Foreign affairs capability	0.08

Source: Wang Songfen (ed.), *Shifie zhuyao guojia zonghe guoli bijiao yanjiu* [*Comparative Studies of the Comprehensive National Power of the World's Major Nations*] (Changsha: Hunan chubanshe, 1996), p. 169.

Table 3: CNP Scores and Ranks over Time
(as Percentage of US CNP by Year, US = 100) (rank)

Country	1970	1980	1989/90		2000		2010		2020	
	CASS	CASS	Huang	CASS	Huang	CASS	Huang	CASS	Huang	CASS
US	100 (1)	100 (1)	100 (1)	100 (1)	100 (1)	100 (1)	100 (1)	100 (1)	100 (1)	100 (2)
China	25 (9)	33 (8)	37 (6)	34 (8)	53 (5)	42 (7)	72 (3)	52 (7)	97 (2)	61 (5)
Germany	42 (3)	52 (3)	64 (3)	58 (3)	68 (3)	67 (3)	72 (2)	77 (3)	77 (3)	85 (3)
Japan	34 (4)	50 (4)	62 (4)	58 (3)	66 (4)	76 (2)	69 (4)	97 (2)	73 (4)	119 (1)
India	15 (10)	19 (10)	24 (9)	18 (10)	34 (8)	22 (10)	44 (6)	26 (10)	57 (5)	30 (10)
France	33 (6)	46 (5)	47 (5)	46 (5)	47 (6)	59 (4)	48 (5)	70 (4)	48 (6)	82 (4)
Brazil	—	—	26 (8)	—	33 (9)	—	39 (7)	—	47 (7)	—
England	34 (4)	42 (6)	36 (7)	42 (6)	34 (7)	48 (6)	33 (8)	54 (6)	32 (8)	60 (6)
Canada	33 (6)	35 (7)	23 (10)	36 (7)	22 (10)	38 (8)	21 (9)	40 (8)	20 (9)	42 (8)
Australia	26 (8)	29 (9)	19 (11)	28 (9)	18 (11)	29 (9)	17 (10)	31 (9)	17 (10)	32 (9)
USSR	64 (2)	77 (2)	65 (2)	66 (2)	79 (2)	—	—	—	—	—
Russia				(50)	—	54 (5)	—	57 (5)	—	56 (7)

Source: The scores for 1989 and 2000 are from Huang Shuofeng, *Zonghe guoli lun* (On Comprehensive National Power) (Beijing: Zhongguo shehui kexue chubanshe, 1992), pp. 220-1. Scores for 2010 and 2020 were generated by Pillsbury. Table combines Tables 9 and 10 in Pillsbury, *China Debates the Future Security Environment*, n. 4, pp. 248-9. Huang = projections to 2020 of AMS (Academy of Military Science) GNP statistics. CASS = Chinese Academy of Social Sciences. Ranks for the 1970 and 1980 score contain ties because Pillsbury only provided percentages (of US CNP) for those years; actual CNP scores were provided for later years.

2. Despite the variations in the CASS and AMS studies—the former gave Japan’s economic power the kind of weight (“Japan as Number One”) that was once common; the AMS study gave more credit to China’s rise and better conforms to the popular Western image of China catching up—both studies show that China’s CNP has improved (absolutely and relatively) from 1970 to 2000, and is projected to improve further. By 2010, China’s CNP will become the third-or fifth-highest, and by 2020 the second-or fifth-highest in the world.
3. Until its disintegration, the Soviet Union was the second most powerful nation. This confirms that the international system during the Cold War was essentially *bipolar*.
4. Germany’s and Japan’s CNPs were consistently around the third-or fourth-highest. Yet as “one-dimensional powers”, their limited military profile (as a result of their aggression and defeat during World War II) limited their CNP.
5. Over time, developing countries like China, India and Brazil have played increasing roles in international affairs, and their weights are expected to eclipse Britain, Canada and Australia. This adds to the “multipolarity” (*duojihua*) envisioned for the 21st century.

One interesting question is the geopolitical significance of the 2008 global financial crisis that originated in the US. A 2009 CNP study puts the US and China as Number One and Two respectively.¹⁶ The Chinese have begun to vigorously debate questions¹⁷ like how should China adjust its behaviour as its capabilities continue to grow. Should China continue to “hide its capacities and bide its time” (*taoguang yanghui*); or should it begin to “make contributions” (*yousuo zuowei*)? Should China take a more active approach in its external strategy? Would its interests be best served by focusing on playing the role of being “Number Two” (*lao er*)? This implies accepting a Western-directed world order and benefiting from it—the “responsible stakeholder” scenario.¹⁸ An alternative scenario is for China to play both hands as a stakeholder and challenger—working within the existing system (cooperate and soft-balance if necessary) while also challenging US pre-eminence.¹⁹

This article examines one important aspect of China’s security assessment and external strategy—Sino-Indian relations—that has not received as much attention of Chinese analysts as it should.

Indian Perspectives on Sino-Indian Relations: Key Factors

One of the most significant developments of the 21st century is the rise of China and India. The economic takeoff of the world's two most populous nations is occurring simultaneously, portending far-reaching implications. As one of the growing numbers of books on this subject²⁰ put it, "rarely has the economic ascent of two still relatively poor nations been watched with such a mixture of awe, opportunism, and trepidation."²¹

While the implications of the rise of China have been debated in various contexts (global or systemic, regional, bilateral), little scholarly discussion has been devoted to either the rise of India²² or how they perceive the ascendancy of the other. Yet as constructivists²³ would argue, how these two very different Asian giants perceive and deal with each other will be important for scholarly interest and policymaking. This section analyses this complex relationship and examines how Indian elites—in political, security, and economic arenas—perceive the rise of China.

History

Although China and India were two adjoining civilisations, there was remarkably little historical evidence of direct political interaction between them.²⁴ However, there was mutual intellectual fascination. Many Chinese scholars visited India in the first millennium to study Buddhism and other subjects, and spent a decade or more in India. Chinese monks such as Faxian in the fifth century and Xuanzang in the seventh played important roles in introducing Buddhism to China and bridging the two cultures. Many Indian scholars also went to China and worked there between the first century and the eleventh.²⁵

Religion was not the only relationship between the two. Trade was also important. Indian intermediaries facilitated trade between China and Western Asia for centuries.²⁶ A branch of the famous Silk Road extended into the plains of northern India. Yet for the most part there was little interaction—mostly indirect—between China and India before the arrival of Western imperial powers.

Colonialism afflicted both India and China and pitted the two civilisations against each other. During the Opium Wars (1839-1842), Britain tried to forcibly sell the opium from its East India Company in China. The two nations' shared colonial experience made for empathy—an Asian anti-colonial pride—between them. Nehru and Gandhi were friendly with the Nationalist Chinese leader Chiang Kai-shek. India gained independence from Britain in 1947. When Mao Zedong established the

communist regime in China in 1949, India was among the first to recognise the People's Republic of China on April 1, 1950. Nehru, typical of Indian leaders, personally invested in maintaining friendly ties with China and cultivated personal relationships with Chinese leaders, especially Chinese Premier Zhou Enlai. Nehru, who promoted the slogan "*Hindi-Chini bhai-bhai*" (India and China are brothers), reportedly said, "China was my most admired nation."²⁷ An Indian security analyst said, "From the 1950s on, we have looked at China from an Asian solidarity standpoint—whether it was nuclear weapons (China's 1964 explosion) or the United Nations (PRC's entry in 1971)."²⁸

However, the goodwill was short-lived. The colonial legacy also sowed the seeds of discord. The McMahon Line—a demarcation line drawn on the map referred to in the 1914 Shimla Accord, signed between Britain and Tibet—was to form the boundary between British India and Tibet, over which China claimed suzerainty. While Britain and Tibet considered the agreement binding, China disputed the McMahon Line. India considered the line an international boundary. It was the root of the thorny and persistent border dispute between India and China (to be discussed later). Figures 1 and 2 show the disputed borders on the eastern sector (today's Indian state of Arunachal Pradesh, formerly North East Frontier Agency) and on the western sector (today's Chinese region of Aksai Chin).

In 1950 China's People's Liberation Army (PLA) entered Tibet and took control of the vast region that had historically served as a buffer (in strategic and cultural terms) between India and China. As former Indian army chief of staff General Ved P. Malik put it, "The first time we (Indians) came into direct contact with the Han Chinese was after 1950, when the PRC occupied Tibet. We suddenly became neighbours."²⁹ In 1959, after the failed uprising against the PRC, the fourteenth Dalai Lama, Tibet's highest religious and political leader, fled to India. Nehru in 1960 offered Dharamshala as a location for the government of Tibet in exile. The Tibetan refuge in India became another irritant in the bilateral relationship.

In 1962 the small skirmishes not uncommon along the disputed border escalated into open military confrontation. War erupted on October 20, 1962 when Chinese troops forcibly evicted Indian troops from the Dhola post in the eastern sector. Over the next month the Chinese troops easily overwhelmed ill-prepared Indian troops in all sectors along the McMahon Line. Then on November 21, the Chinese government announced a unilateral withdrawal to points where it considered the territorial boundaries to be. Although the war did not change the status quo of the border, India essentially had lost the war, suffering territorial loss and national humiliation. Ever since then, the 1962 war has cast a long shadow

over the Indo-Chinese relationship, and India's defeat has coloured the Indians' perceptions of China.

The worsening Indo-Chinese relations became entangled in the regional alignment during the Cold War, with the Soviet Union and India on one side and China and Pakistan (and later the US) on the other. China's successful nuclear test in 1964 deepened Indian apprehensions. If the 1962 war taught India the importance of indigenous conventional deterrence, India's nuclear test in 1974 sought to respond to China's nuclear capabilities. From 1962 to 1976 China and India were mired in a tense cold war. It was not until 1976 that the two countries again exchanged ambassadors. History clearly casts a long shadow on Indo-Chinese relations (Fig. 1, 2 and 3).

Geography

Historically, China and India each had their own geographic orientation: China toward East Asia and India toward South Asia. But modern Tibet after China's entry in 1950 connected these two spheres. The development of missile technologies, made possible by the two countries' economic growth, had the effect of "shrinking the strategic chessboard".³⁰

In recent years, China has expanded its influence in the Central and South West Asian areas by organising and promoting the Shanghai Cooperation Organisation (SCO);³¹ India has pursued a Look East policy of strengthening its relationships with countries in East and South East Asia. Both countries seek to play a greater role in areas adjacent to their own, and even farther. China and India thus manoeuvre on overlapping "strategic spaces".

Ranjit Gupta, a former Indian ambassador to five countries, thinks that China has always treated India with hostility, adopting a "systematic plan" to hem in India with the support of Pakistan, and its influence in Myanmar, Nepal and Bangladesh, and military activities in Tibet. He argues that historically China has behaved like an imperial power, expanding when the empire was strong.³²

In the past decade, to ensure its energy security and shore up its oil supply route,³³ China has constructed facilities and secured access to ports around India (e.g., Gwadar in Pakistan, Hambantota in Sri Lanka, Chittagong in Bangladesh and Sittwe in Myanmar), prompting some foreign analysts to label this a "String of Pearls" strategy (see Figure 3). Some sensitive Indians warn that China is turning the Indian Ocean into a "Chinese Lake".³⁴ In 2009 China dispatched destroyers to the Gulf of Aden to protect Chinese merchant ships from Somali pirates operating in that area. The flotilla's passage through the Indian Ocean caused some concern in India.

China-India Border: Eastern Sector

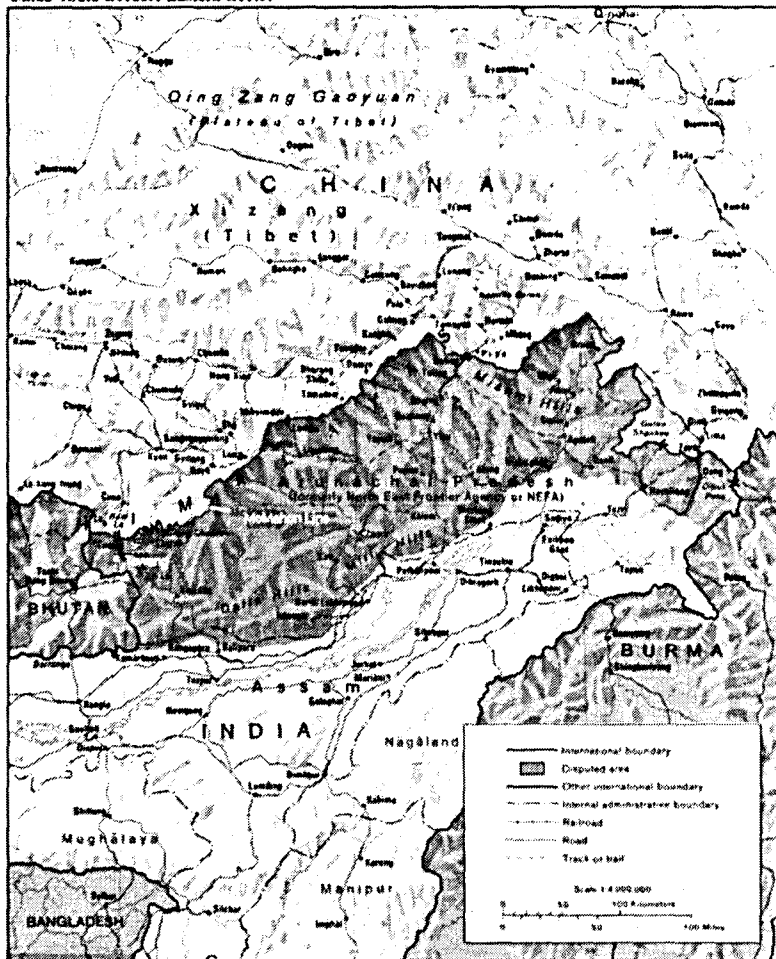


Figure 1: China-India Border: Eastern Sector

Source: http://en.wikipedia.org/wiki/File:China_India_eastern_border_88.jpg

Territorial Disputes

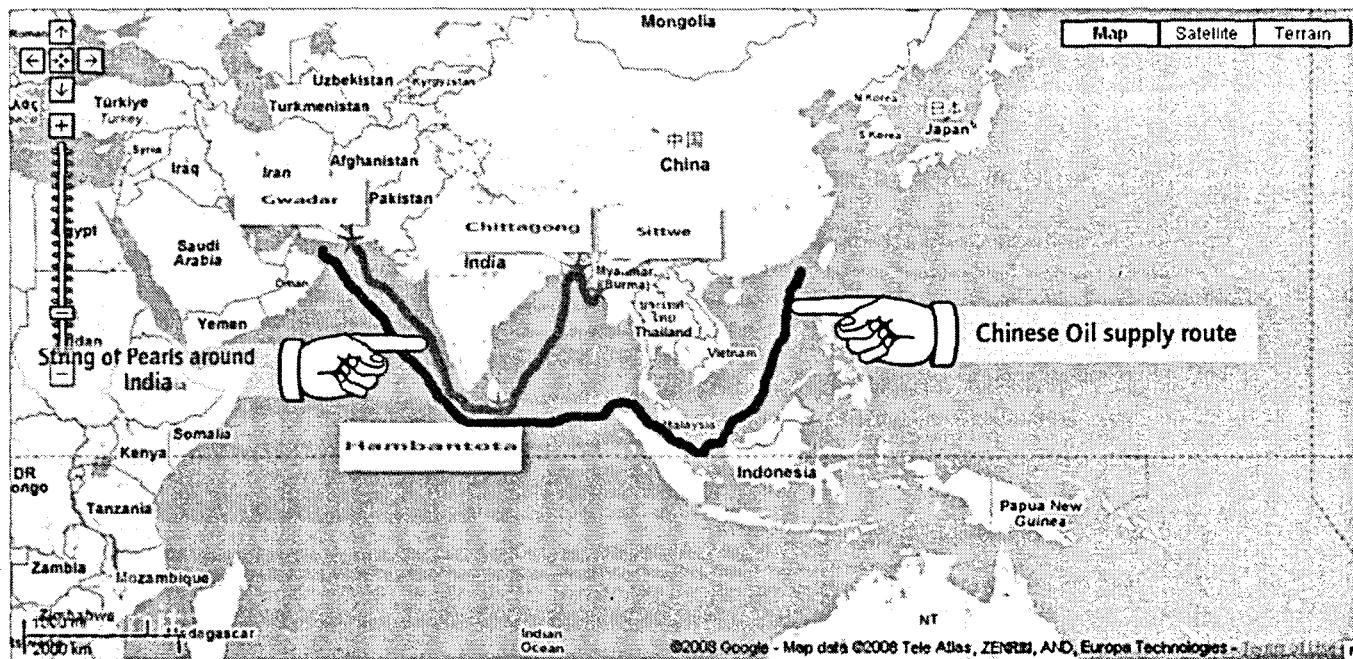
Among all the issues separating China and India, the territorial disputes arising from the undemarcated border significantly inform the Indian perspectives of China. Almost every Indian informant during my field research in 2008 raised the border issue as a major obstacle to better Indo-Chinese relationship. They feared that the potential of a flare-up still exists.³⁵



Figure 2: China-India Border: Western Sector

Source: http://en.wikipedia.org/wiki/File:China_India_western_border_88.jpg

As mentioned earlier, the border disputes can be traced back to the McMahon Line. After the 1962 war, the two sides largely observed the Line of Actual Control (LAC) in the eastern sector and the Line of Control (LOC) in the western sector. The results are that China claims the Indian-controlled Arunachal Pradesh and India claims the Chinese-controlled Aksai Chin. The Chinese claim is partially based on Tawang, the birthplace of the sixth Dalai Lama. The Chinese argue that Tawang is



Source: <http://www.marinebuzz.com/2008/01/23/china-garlands-india-with-string-of-pearls/>

Figure 3: "String of Pearls"

Tibetan territory and Tibet is part of China; therefore, the entire Arunachal Pradesh is Chinese territory. India claims Aksai Chin, which connects Tibet and China's north-western province Xinjiang, as the eastern-most part of its Jammu and Kashmir state.³⁶ Kashmir itself was partitioned three-way by India, Pakistan and China.

Occasionally the Chinese emphasis on their legal titles provokes the Indians. Just days before President Hu Jintao's state visit to India in November 2006, the Chinese ambassador to India Sun Yuxi declared, "In our position the whole of what you call the state of Arunachal Pradesh is Chinese territory and Tawang is only one place in it and we are claiming all of that. That's our position."³⁷ In 2007 the Chinese Embassy in Delhi decided to strengthen its position by declining a visa to an Indian official from Arunachal Pradesh on the grounds that he did not need one as he was a "Chinese citizen".³⁸ The respective statuses of Tibet and Sikkim, the latter of which India incorporated in 1975 as its twenty-second state, also add to the complexity.³⁹

In reality, this issue is mainly a placeholder and its impact will be "bounded". In recent years, the two sides have set up working groups to deal with the issue and try to resolve it peacefully, but have little to show for it. They have also sought to "compartmentalise" this issue from the overall improvement of the bilateral relationship.⁴⁰ As an American diplomat aptly put it, "The border issue is unlikely to be a serious problem in the relationship, because both sides benefit from this 'festering' that allows them to justify more military spending and certain postures."⁴¹

Mutual Threat Perception and Triangular Strategic Relationships

As Table 4 shows, both countries have substantial military capabilities. Over time, each has deployed certain weapons against the other. As mentioned before, India's 1974 nuclear test was spurred by China's successful test in 1964. India, under a government led by the Bharatiya Janata Party (BJP), in 1998 again conducted nuclear tests. India's minister for defence, George Fernandes, specifically rationalised this action as a counter to the threat India perceived from a rising China and closer Sino-Pakistani alliance.⁴²

China has always loomed large in India's defence and foreign policies. The 1962 war, the border dispute, the complex *ménages à trois* (China-India-US and China-India-Pakistan) and each nation's ambitions all play a role, causing each to suspect the true intentions of the other. Some Indians viewed the SCO and the String of Pearls with concern. China's

military assistance to Pakistan allows the latter to act as a proxy to “weigh down” India.

A hardnosed Indian analyst asserts, “China and India are natural rivals in Asia for geo-strategic, economic, and ideological (democracy vs. autocracy) reasons. In every aspect, we are contrasts. Our interests clash. We also compete for the same resources in Africa. Such rivalry is not easily reconcilable.”⁴³ Many Indians feel that a rising China may make it harder for India to ascend.⁴⁴

Economic Partnership and Rivalry

In many aspects, China’s economic data is more impressive than India’s (see Table 4): China has achieved higher growth rates, higher income levels, larger economy, greater trade volumes, and has attracted more foreign investment. But their economies are also complementary. China’s success stems from being the manufacturing base of foreign multinationals with global sales networks; India’s is domestically oriented, focusing on engineering and service.⁴⁵ China’s hardware proficiency can complement India’s software prowess. Some Indians and (fewer) Chinese envision the two nations merging into a giant “Chindia”—a formidable economic partnership with the world’s largest populations and complementary economic strengths.⁴⁶

Yet their two economies also compete, especially over the energy resources each needs for economic development. While many in the Indian business community see an economically rising China as an *opportunity* (for Indian products or services, for business alliance possibilities), more see it as a *threat*.

During my field trip to Mumbai and Delhi in May-June 2008, I sought to study the impact of Chinese products on Indian companies and consumers by direct observation and elite interviews. Indian companies that exclusively serviced the domestic market often complained about the inexpensive Chinese goods flooding the Indian market. Consumers were more ambivalent: While they generally liked the low-cost Chinese goods, they were also concerned about food and product safety as well as the quality of the goods. Indian companies that sell to international markets invariably faced strong competition from their Chinese counterparts. Some executives wondered that the incredibly low prices of the Chinese products, which undermined the Indian companies, were because of the Chinese government’s help.⁴⁷ In this regard, India’s experience is not too different from that of other countries with a backlash against cheap and unsafe Chinese products.

Table 4: China vs. India: Rise of Two Asian Giants

<i>Indicator (Unit), information as of 2010</i>	<i>China</i>	<i>India</i>
GDP (with PPP) (\$ bn)	9872	4046
World Rank	2	4
GDP Real Growth Rate (%)	10.3	8.3
GDP (official exchange rate) (\$ bn)	5745	1430
GDP Per Capita (with PPP) (\$)	7400	3400
Exports (\$ bn)	1506	201
Imports (\$ bn)	1307	327
Main export partners (%)	US (20.0), Hong Kong (12.0), Japan (8.3), S Korea (4.6)	UAE (12.9), US (12.6), China (5.6)
Main import partners (%)	Japan (12.3), Hong Kong (10.1), S Korea (9.0), U.S. (7.9)	China (10.9), US (7.2), Saudi Arabia (5.4), UAE (5.2)
Stock of foreign direct investment at home (\$ bn)	574.3	191.1
Foreign exchange reserves (\$ bn)	2622	284.1
Population (mn)	1321.9	1129.9
Armed Forces (number)	2,105,000	1,288,000
Main Battle Tanks (number)	7660	4059
Artillery (number)	17,600 ^d	5680
Surface Combatant Vessels (number)	75	48
Submarines (number)	62	16
Aircraft Carriers (number)	0	1 ^d
Combat Aircraft (number)	2554	599
Attack Helicopters (number)	39	20
Nuclear weapon status	Confirmed	Confirmed
Chemical weapon status	Probable	Confirmed
Biological weapon status	Suspected	Unknown
Short-range ballistic missile status	Confirmed	Confirmed
Medium-range ballistic missile status	Confirmed	Confirmed
Intermediate-range ballistic missile status	None	Confirmed
Submarine-launched ballistic missile status	Confirmed	Probable
Intercontinental ballistic missile status	Confirmed	None
Strategic bomber status (text)	None	None

(Contd.)

Indicator (Unit), information as of 2010	China	India
Strategic submarine status (text)	Confirmed	None
WMD Commitments (text)	BTWC, CWC, NPT ^{b*}	BTWC, CWC

Notes: All economic data are as of end of 2010 and all military data are as of 2007.

Sources: Central Intelligence Agency, *World Factbook*, <https://www.cia.gov/library/publications/the-world-factbook/> and National Bureau of Asian Research *Strategic Asia* Database Query, <http://strategicasia.nbr.org/data/DataSheet/Criteria.aspx>; accessed 20 April 2011.

Cooperation and Competition in Global Governance

The two aspiring great powers maintain an extremely complex relationship regarding global governance (the respective role of each country and the role of the Global South in general). On several global economic issues they cooperate. The two led the “uprising” of the Global South at the 2003 Cancún meeting which led to the halting of the Doha Round of the World Trade Organisation (WTO). They often criticise the “democratic deficit” of Bretton Woods institutions, such as the WTO, International Monetary Fund and the World Bank, and advocate expanded roles and higher profiles of the Global South (especially, large emerging countries such as China and India). They also accuse the Global North of being hypocritical and self-serving for wanting to pry open the service, investment and IT sectors of the Global South while protecting the politically influential agricultural sectors at home.

In the December 2009 at the Copenhagen conference on global climate change China and India also adopted similar positions, including insisting on the developing countries’ right to economic development, declining to accept mandatory cuts in pollution levels, and instead proposing to decrease the energy intensity of industries. These positions belie the fact that China and India are now the world’s largest and third-largest emitters of carbon dioxide respectively.⁴⁸ Both members of the so-called BRICS, China and India, have tried to coordinate their policies on several issues related to global governance.

However, the two also clash on other key issues. China is a permanent member of the United Nations Security Council. India lobbies for “UN reform” including expansion of the Security Council in the name of greater democracy and fairer representation. India has argued that it deserves a permanent seat because it has the world’s second-largest population (which will become the largest in a few decades) and nuclear weapons, and there is only one Asian country and one developing country on the SC. China has been decisively cold to the idea of UNSC expansion. It jealously

guards its own seat. It also rebuffs several other developing-country potentials, such as India, Brazil, Indonesia and South Africa, because admitting any of them would also lead to the admission of Japan and Germany, which provide important financial support to the UN. China is most opposed to Japan's seat. Consequently, it must also reject India's bid. China can thus ensure it will have more global influence than India.

Being among the world's fastest growing economies, China and India both have huge energy needs and have elevated the importance of "energy security" in their external strategies, including global sourcing and transport of oil. While China is more aggressive in this regard, the two share many similarities in their attempt to achieve energy security. This could be another area of potential conflict.

Chinese Perspectives on a Rising India

Until now Chinese elite discourse on India has been predominantly informed by *realism*. This observation based on my field research consists of several aspects: (1) war and territorial disputes, (2) spheres of influence, (3) alignment, (4) power considerations,⁴⁹ and (5) mistrust.

The 1998 Indian nuclear tests ironically became a turning point in Chinese perspectives about, and policies toward, India. As the CNP comparisons in Table 3 show, throughout the Cold War and until the late 1990s, China was, as Avery Goldstein pointed out, not convinced that relations with India would be as strategically significant for it as the relations it was cultivating with other major powers.⁵⁰ The generally sceptical or dismissive view of India held by Chinese elites stemmed resulted from several reasons: (1) China's confidence stemming from its military victory over India in 1962, (2) China's more impressive economic performance compared to India's, (3) India's ethnic, religious and linguistic diversity (or cleavage), which Chinese analysts generally view as a handicap, and (4) India's domestic politics (federal system, extremely fragmented party politics, a chaotic democracy lacking efficiency), which they also generally view as a serious impediment to India's future prospects—the Indian form of democracy is anathema to China.

After India's 1998 nuclear tests, however, official relations have warmed. In June 2003 Prime Minister Atal Bihari Vajpayee made a historic visit to China, the first in over a decade. The two countries have elevated their relationship to one of "strategic and cooperative partnership" for peace and stability. During President Hu Jintao's visit to India in November 2006, the two sides adopted a ten-point strategy to further strengthen the bilateral relationship. Jingdong Yuan, a China expert,

quoted a Chinese diplomat: "Beijing now views its relationship with India as one of global and strategic importance that is long-term, all around, and stable."⁵¹

Diplomatic pleasantries notwithstanding, Chinese perspectives on India in the early decade of the twenty-first century embody the following elements:

- While China must accomplish its goal of "peaceful rise", it must also realise that India is also rising and has ambitions to play a greater role in regional and global politics and economics.
- China must "manage" India's rise by reducing the threats it will pose to China and by selectively cooperating on issues of mutual interest.
- China should reduce or eliminate the chance that India may harm China's interests by compartmentalising the border disputes, containing the Tibet issue, and keeping alive the "Pakistan card".
- China must carefully monitor the implications of India's military modernisation and India's growing security and overall relations with the US lest they harm China's interests or aspirations.
- To enhance cooperation, China should increase trade with India. It should also attempt to cajole India into taking its same side on various international issues.

While Indian-Chinese relations have changed—for the better in many respects—the above complex motivations and calculations show that bilateral relations will remain mainly *instrumental* and *pragmatic*, rather than effective, and there remain limits to cooperation and potential for conflicts. To sort out the alternative scenarios, we need to not only inquire into the distribution of the various *types* of elites (realists, liberals, constructivists; so far the realists dominate both sides), but also can benefit from three contrasting paradigms.⁵²

Contending Paradigms

Geopolitics

As soon as India and China came into direct contact through the Tibet nexus, geography has conditioned their relations. China and India are neighbours. The Chinese have a saying, "A distant relative is less useful than a proximate neighbour." Friends can change, neighbours cannot. "You can't change geography", says an Indian think-tank analyst.⁵³ So the logic goes, India must get along with China. Indeed, various Indian

leaders have made this a priority, although many Indians feel that India's goodwill is not reciprocated. A third neighbour—Pakistan—further complicates this relationship.

The strategic spaces of these two Asian giants overlap and they both have ambitions to become major regional, if not world, powers. The Chinese have a saying, "The same mountain cannot accommodate two tigers." From the Indian perspectives, India cannot accept Chinese hegemony. A rising China makes India's ascent more difficult, if not impossible. This can also partly explain why the Indians felt compelled to sign a landmark nuclear agreement with the US.

In the geopolitical paradigm, the logic of balance of power prevails. Competition, mutual suspicion, alliance and military build-up—standard tenets of realism—have heavily conditioned Indo-Chinese relations. Power is important in this paradigm. Tan Chung depicts power politics as horizontal expansion, which leads to border disputes. As stated, historically China and India did not have border disputes. China did not occupy Tibet until 1950. Modern concepts of sovereignty and territorial integrity have ensnarled both China and India. Many of my informants seemed to accept certain basic realist premises and their arguments confirmed the geopolitics paradigm. Viewing Indo-Chinese relations through the geopolitics paradigm will, however, have a negative impact on the relationship.

Geo-economics

Yet at the same time, China and India are both rising economically. And there exists a complementarity between their economies. In the geo-economics paradigm, the logic is interconnectivity and mutual dependence. This creates space (complementarity) and turns the zero-sum competition in the first paradigm into a win-win situation. An increasing number of books champion this prospect:⁵⁴ China's hardware combining with India's software; China's *yang* blending with India's *yin*. Judging from the relatively still moderate trade between the two⁵⁵ and the fact that neither is a key trading partner of the other, there exists immense potential for a closer economic partnership to gradually emerge, which would help ameliorate the overall bilateral relationship. However, the emergence of a "Chindia" requires a leap of faith that is not supported by evidence.⁵⁶ While several of my informants thought Chindia was a good idea, almost nobody predicted it would happen.

Geo-civilizations

The third paradigm is not the mainstay of Western international relations

theories. It is reflectivist rather than rationalist. Its logic is affinity rather than material interests.

Economic historian Angus Maddison opined that in the past one thousand years China's population had constituted one-third to one-sixth of the world's population and India's population had sometimes been larger than China's. Tan Chung opined that this meant that these two countries were most hospitable. He described the relationship between the two as "made in heaven". With population congregating, wealth was created. With their shared origins in the Himalayas, the Ganges and the Indus gave rise to the Indian civilisation and the Yellow and the Yangtze to the Chinese civilisation. As Sen pointed out, before the modern era there was a lot of mutual admiration between China and India. In the twentieth century the two also shared Asian pride and anti-colonial solidarity. Their mutual suspicion and antipathy is a more recent phenomenon.

Mao Zedong in his lifetime only visited two "countries": the Soviet Union and the Indian embassy. Nehru, whose affection for China was legendary, was welcomed by 500,000 people when he visited China. Every Chinese believes that when they die, they "return to the west" (India). Buddhism originated in India but flourished in China. One Indian scholar hailing from Ladakh summarised his visits to China this way, "People conjure up India as 'the land of the Buddha' or land of poverty."⁵⁷ Although some Indians rightly feel that the Chinese may have behaved in a condescending or overbearing way toward the Indians, China's current advantage is not preordained nor can it be expected to last forever.

This paradigm will call for a total re-conceptualisation of the Indo-Chinese relationship. It may be far-fetched to think of an Indo-Chinese partnership that is as cordial or close as the US-UK bond. But appreciating each other's civilisational attractiveness can create a deeper and more enduring bond that is currently missing in the Indo-Chinese relationship.

Based on my fieldwork in 2006 and 2008, an overwhelming majority of Chinese informants (85 per cent) adopt the geopolitical paradigm, a minority geo-economic, and virtually nobody geo-civilisational. In India, roughly 60 per cent of informants adhere to the geopolitical paradigm, 30 per cent geo-economic, and 10 per cent geo-civilisational. This rough estimate of the distribution of elite beliefs helps inform the future of Indo-Chinese relations.

Prospects: Whither?

What would the future hold for Indo-Chinese relations? Three scenarios

emerge. The first is continued, even heightened, *rivalry*—guided by the logic of the geopolitics paradigm. Indications of this are not difficult to find. China figures prominently in Indian defence planning. China's growing military and economic power may deeply unsettle India. With newly accumulated wealth from almost two decades of fast growth, India may devote greater resources to the military. It will become more aligned with the US—in a reversal of its stance during the Cold War. The US-Indian nuclear agreement epitomised this trend. China may enhance its support of Pakistan and increase its influence in the South Asian continent, the Indian Ocean and South West Asia.

The second possibility is "*Chindia*"—driven by the logic of the geoeconomics and geo-civilisations paradigms—to jointly promote a multipolar world and a more equitable global order (e.g., reforming the United Nations). However, an Indo-Chinese entente aimed at the US is unlikely, as each derives many benefits by maintaining a good relationship with the US.

The third possibility is a *pragmatic* management of their relationship, seeking solutions to their unresolved disputes while exploring areas of cooperation. Compared to the hot war of 1962 and the cold war that ensued, Indo-Chinese relationship has shown promise of normalisation. However, irritants still exist. The two sides should not be satisfied with prolonged but indecisive talks on settling the border issue. The Chinese had border disputes with just about every one of their land neighbours. For long periods of time, China typically remained stuck in principled positions without any real progress, but it has shown in a number of cases that it can make concessions and conclude an agreement.⁵⁸ Both China and India need to show greater political will for settling the border dispute (beginning with mutual recognition of each other's actual control). Other confidence-building measures, such as greater Chinese sensitivity to Indian concerns about China's support to Pakistan and more transparency and better communication to prevent accidents or misperceptions, would help. For a truly solid relationship, the two can benefit from the insights of the geo-civilisation paradigm.

China and India are two great nations, both making remarkable a transformation. Their choices, including the interpreting the other's intentions, will importantly shape our future world. Like Alexander Wendt cogently said, "Anarchy is what states make of it."⁵⁹ The future of Indo-Chinese relationship is not condemned to rivalry and hostility; nor will a Chindia naturally result just because it "makes sense". To return to the constructivist's axiom, it depends on the evolving structure of elite

identities and preferences, informed by the three paradigms and socialised through interactions.

Notes

1. BRIC (or BRICs) stands for Brazil, Russia, India and China. The term was coined in 2001 and subsequently made popular by Goldman Sachs. See Dominic Wilson and Roopa Purushothaman, "Dreaming with BRICs: The Path to 2050", Goldman Sachs *Global Economics Paper*, No. 99 (1 October 2003), <http://www2.goldmansachs.com/ideas/brics/book/99-dreaming.pdf>. In 2011 the group added South Africa and is now called BRICS.
2. Kishore Mahbubani, *The New Asian Hemisphere: The Irresistible Shift of Global Power to the East* (Public Affairs, 2009).
3. See Jonathan Holslag, *China + India: Prospect for Peace* (New York: Columbia University Press, 2010); Mohan Guruswamy and Zorawar Daulet Singh, *Chasing the Dragon: Will India Catch up with China?* (Delhi: Longman, 2010); and John Garver, *Protracted Contest: Sino-Indian Rivalry in the Twentieth Century* (Seattle: University of Washington Press, 2002).
4. For discussion of Chinese analysts' perception of their country's external security environment, especially along its periphery, see Michael Pillsbury, *China Debates the Future Security Environment* (Washington, DC: National Defense University Press, 2000); Yang Chengxu (ed.), *Zhongguo zhoubian anquan huanjing toushi* [*Perspectives of China's Security along its Boundaries*] (Beijing: Zhongguo qingnian chubanshe, 2003); and Zhu Tingchang (ed.), *Zhongguo zhoubian anquan huanjing yu anquan zhanlue* [*China's Security Environment along the Periphery and Security Strategy*] (Beijing: Shishi chubanshe, 2002).
5. U.S. Department of Defense, *Annual Report to Congress: Military Power of the People's Republic of China, 2007*, p. 7, <http://www.defenselink.mil/pubs/pdfs/070523-China-Military-Power-final.pdf>
6. See Michael Brown et al. (eds.), *The Rise of China* (Cambridge, MA: MIT Press, 2000). The two books that helped set the stage for the "great debate" over China were Richard Bernstein and Ross H. Munro, *The Coming Conflict with China* (New York: Knopf, 1997) and Andrew J. Nathan and Robert S. Ross, *The Great Wall and the Empty Fortress* (New York: Norton, 1997). Herbert Yee and Ian Storey (eds.), *The China Threat: Perceptions, Myths, and Reality* (London: Routledge Curzon, 2002) assembles a range of views on this issue.
7. For an exposition of the concept of "peaceful rise" aimed at Western audiences, see Zheng Bijian, "China's 'Peaceful Rise' to Great-Power

- Status", *Foreign Affairs*, 84(5) (September/October 2005): 18-24. Zheng is one of the most important advisers to Hu.
8. For an account on China's more confident diplomacy, see Evan S. Medeiros and M. Taylor Fravel, "China's New Diplomacy", *Foreign Affairs*, 82(6) (November/December 2003): 22-35; and Bates Gill, *Rising Star: China's New Security Diplomacy* (Washington, DC: The Brookings Institution, 2007).
9. Bonnie Glaser and Lyle Morris, "Chinese Perceptions of U.S. Decline and Power", *China Brief*, IX(14) (9 July 2009): 4.
10. China's "charm offensive" toward South East Asia is exemplary. See Vincent Wei-cheng Wang, "The Logic of China-ASEAN FTA: Economic Statecraft of 'Peaceful Ascendancy' ", in Ho Khai Leong and Samuel C.Y. Ku (eds.), *China and Southeast Asia: Global Changes and Regional Challenges* (Singapore: Institute of Southeast Asian Studies, 2005), pp. 17-41; Jane Perlez, "China is Romping with the Neighbours (U.S. is Distracted)", *New York Times* (3 December 2003): A1; and Joshua Kurlantzick, *Charm Offensive: How China's Soft Power is Transforming the World* (New Haven, CO.: Yale University Press, 2007).
11. For China, the word "multilateralism" now sounds like a coded opposition to America's "unilateralism"; China prefers a "multipolar" world (in which China acts as a great power) to a "unipolar" world founded on US hegemony.
12. For example, on the South China Sea issue, China acceded to ASEAN's Treaty of Amity and Cooperation (TAC) and promoted peaceful dialogue over territorial disputes. On Taiwan, China has replaced its military bluster with economic enticement.
13. Wang, "The Logic of China-ASEAN FTA: ...," n. 10, pp. 32-4.
14. Pillsbury, *China Debates the Future Security Environment*, n. 4, p. 203.
15. For more details and the various calculations, see Pillsbury, *China Debates the Future Security Environment*, n. 4, chapter 5.
16. A 2009 CNP study by the Korean *Chosun Daily* puts the US and China as Number One and Two with CNP of 69.15 and 54.73, respectively. Hangzhou.com, 18 August 2009, "Hanguo gongbu G20 guoli pinggu, zhongguo zonghe guoli paimin shijie dier" (Korea Unveils G20 National Power Assessment; China's GNP is Ranked Second in the World", <http://money.hangzhou.com.cn/20090728/ca1767694.htm>; accessed 18 April 2011.
17. These questions were summarized from the author's interviews with two dozen Chinese think-tank analysts and international relations scholars in Beijing and Shanghai in June 2006.
18. Robert Zoellick, former US Trade Representative and current World Bank President, coined the phrase "responsible stakeholder" to signify America's policy on and expectations from a rising China. "USTR Says

- China's Power Must Be Integrated into World Community" (Zoellick's 25 February remarks to Asia Society), e-mail update from "USINFO East Asia" <iipgeap@STATE.GOV>. Political scientist John Ikenberry thinks this strategy is both possible and preferable for the West. "The Rise of China and the Future of the West", *Foreign Affairs*, 87(1) (January/February 2008): 23-37.
19. Liselotte Odgaard, "The Art of Walking on Two Legs: Stakeholder and Challenger Elements in China's National Security Strategy after the Cold War", lecture at Wilson International Center for Scholars, 20 May 2009.
 20. Bill Emmott, *Rivals: How the Power Struggle Between China, India, and Japan Will Shape Our Next Decade* (Harcourt Books, 2008); Pete Engardio (ed.), *Chindia: How China and India are Revolutionizing Global Business* (New York: McGraw-Hill, 2007); Garver, *Protracted Contest*, n. 3; Tarun Khanna, *Billions of Entrepreneurs: How China and India Are Reshaping Their Future and Yours* (Boston: Harvard Business School Press, 2007); Robyn Meredith, *The Elephant and the Dragon: The Rise of India and China and What it Means for All of us* (New York: W.W. Norton, 2007); and Waheguru Pal Singh Sidhu and Jing-dong Yuan, *China and India: Cooperation or Conflict?* (Boulder, CO: Lynne Rienner, 2003).
 21. Engardio, *Chindia* ..., *ibid.*, p. 16.
 22. See Arvind Panagariya, *India: The Emerging Giant* (Oxford University Press, 2008) and Stephen G. Cohen, *India: Emerging Power* (Washington, DC: Brookings Institution Press, 2001).
 23. See Alexander Wendt, "Anarchy is What States Make of it: The Social Construction of Power Politics", *International Organization*, 46(2) (Spring 1992): 391-425.
 24. Sidhu and Yuan, *China and India: Cooperation or Conflict?*, n. 20, p. 9.
 25. Amartya Sen, *The Argumentative Indian: Writings on Indian History, Culture, and Identity* (New York: Picador, 2005), 161.
 26. *Ibid.*, p. 166.
 27. Speech by Prof. Tan Chung at National Taiwan University, Taipei, 20 May 2008.
 28. Interview with Prof. Phunchok Stobdan, Senior Fellow, Institute for Defence Studies and Analyses, New Delhi, 2 June 2008.
 29. Interview with General Ved P. Malik, President, Institute of Security Studies, Observer Research Foundation, New Delhi, 2 June 2008.
 30. Paul Bracken, *Fire in the East: The Rise of Asian Military Power and the Second Nuclear Age* (New York: HarperCollins, 1999).
 31. Shanghai Five was founded in 1996 by the leaders of China, Kazakhstan, Kyrgyzstan, Russia and Tajikistan. The group was renamed the SCO in

- 2001 with Uzbekistan joining it. The SCO currently has four observers: India, Iran, Mongolia and Pakistan. See <http://www.sectscsco.org/>
32. Interview with Amb. Ranjit Gupta (retired), New Delhi, 26 May 2008. Ambassador Gupta admitted that his viewpoints on China reflect that of the security community and are uncommon among the Indian foreign service.
33. Kenneth Lieberthal and Mikkal Herberg, "China's Search for Energy Security: Implications for U.S. Policy", *NBR Analysis* 17(1) (April 2006): 3-42.
34. "India's ocean is Chinese lake: 'String of pearls' threatens India", <http://www.zimbio.com/President+Mahinda+Rajapakse/articles/185/India+ocean+Chinese+lake+String+pearls+threaten>, accessed 12 February 2009.
35. Interview with Brigadier Gurmeet Kanwal (retired), Director, Centre for Land Warfare Studies, New Delhi, 3 June 2008; interview with Rajeswari Pillai Rajagopalan, Senior Fellow, Observer Research Foundation, New Delhi, 28 May 2008.
36. Historically, Aksai Chin was part of the Himalayan Kingdom of Ladakh. Ladakh was annexed from the rule of the local Namgyal dynasty by the Dogras and the princely state of Kashmir in the nineteenth century. It was subsequently absorbed into British India.
37. Randeep Ramesh, "International: Himalayan Dispute: Beijing Insists on Claim to Territory in Runup to President Hu's Visit to Delhi: Last Vestige of Old Tibetan Culture Clings on in Remote Indian State", *The Guardian* (20 November 2006), p. 23. Obtained through *Lexis-Nexis*.
38. Ravi Velloor, "China Reaffirms its Claim to Disputed State; No Visa for Indian Official from Arunachal as he is a 'Chinese Citizen' ", *The Straits Times* (28 May 2007). Obtained through *Lexis-Nexis*.
39. In 2000 the seventeenth Karmapa Urgyen Trinley Dorje, who was endorsed by both the Dalai Lama and the Chinese government, made a dramatic escape from Tibet to the Rumtek Monastery in Sikkim. China eventually recognized Sikkim as an Indian state in 2003, on the condition that India accepted Tibet as a part of China. This mutual recognition led to a thaw in Sino-Indian relations.
40. Interviews with Sibi George, Political Counsellor, and S.D. Sharma, Head of Chancery, Embassy of India, Washington, DC, 9 May 2008.
41. Interview with Joel Ehrendreich, First Secretary, Political Affairs, US Embassy, New Delhi, 4 June 2008.
42. "Defence Minister Calls China 'Potential Threat Number One' ", *PTI News Agency*, New Delhi, 3 May 1998 (*BBC Summary of World Broadcasts*, 5 May 1998). Obtained through *Lexis-Nexis*.
43. Interview with Bharat Karnad, Research Professor, National Security Studies, Centre for Policy Research, New Delhi, 4 June 2008.

44. Interviews with Rajesh Rajagopalan, Professor in International Politics, Jawaharlal Nehru University, New Delhi, 27 May 2008, and Nandan Unnikrishnan, Director, Eurasian Studies, Observer Research Foundation, New Delhi, 28 May 2008.
45. Yasheng Huang and Tarun Khanna, "Will India Overtake China?" *Foreign Policy*, no. 137 (Jul-Aug 2003), pp. 74-81, and Engardio, *Chindia*, n. 20.
46. Engardio, *Chindia*. The term "Chindia" is a portmanteau word that refers to China and India together in general, and their economies in particular. The credit of coining the now popular term goes to Jairam Ramesh, who has been India's Minister of State for Environment and Forests since May 2009. Jairam Ramesh, *Making Sense of Chindia: Reflections on China and India* (Delhi: Research Press, 2005).
47. Interviews on 24 May 2008 with Mumbai industrialists: Anil Tiwari, Shree Krishna Engineering Works; Bhavin Shah, Alkon Plastics Pvt. Ltd.; Prayag Thakkar, Mutual Industries; Vinay Sawar, Teryai Equipment.
48. As of 2007, China, the United States and India were responsible for 22.3 per cent, 19.9 per cent, and 5.5 per cent of the world's emission of carbon dioxide, respectively. See http://en.wikipedia.org/wiki/List_of_countries_by_carbon_dioxide_emissions
49. China has always been very conscious of its relative standing in the world vis-à-vis India's, and has usually regarded itself as enjoying a comfortable lead. It has taken measures to widen that gap (for example, by arming Pakistan to wage a kind of "proxy war") and tends to regard India's rising power warily.
50. Goldstein described his Chinese interlocutors (during 1998-2000) often expressing rather sceptical, even dismissive, views of India's prospects. Avery Goldstein, *Rising to the Challenge: China's Grand Strategy and International Security* (Stanford, Calif.: Stanford University Press, 2005), p. 168. During my own field research in Beijing and Shanghai in summer 2006, I got essentially the same impression (albeit less dismissive).
51. Jingdong Yuan, "The Asian Triangle: Chinese Perspectives on a Rising India", *World Politics Review* (30 November 2008), <http://www.worldpoliticsreview.com/article.aspx?id=2983>; accessed 2 December 2008.
52. The following section benefits from Prof. Tan Chung's lecture, 20 May 2008.
53. Interview with Nandan Unnikrishnan.
54. Engardio, *Chindia*, n. 20; Meredith, *The Elephant and the Dragon*, n. 20.
55. Trade between China and India crossed \$10 billion at the end of 2004. In 2008 two-way trade was \$40.2 billion. Although trade relations have

been fast growing, they have not been balanced. China was India's third-largest export destination, absorbing 9.3 per cent of Indian exports (\$155 billion), largest import source (11.1 per cent of \$232.2 billion) and overall largest trading partner. India suffered a trade deficit of \$11.4 billion. Conversely, India was not as important to China in trade as China was to India, not appearing in the lists of top five export or import partners. Data calculated from CIA, *World Factbook*, <https://www.cia.gov/library/publications/the-world-factbook/geos/in.html>, 15 February 2010. Chinese Premier Wen Jiabao had called for bilateral trade to increase to \$60 billion by 2010.

56. See Yasheng Huang, "The Myth of Economic Complementarity in Sino-Indian Relations", *Journal of International Affairs*, 64(2) (Spring/Summer 2011): 111-24.
57. Interview with Phunchok Stobdan.
58. "Russia and China Settle Eastern-Border Dispute", *International Herald Tribune*, 22 July 2008, p. 3.
59. Wendt, "Anarchy is What States Make of it ...", n. 23.